

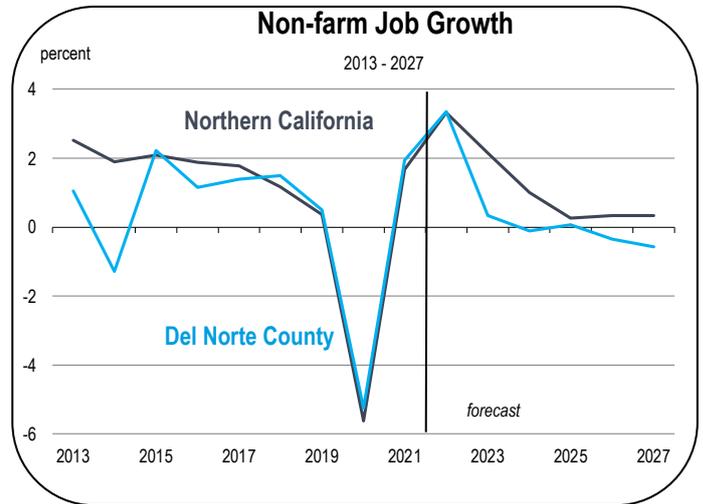
Del Norte County Economic Forecast

Forecast Summary

- Employment in Del Norte County fully recovered from the Coronavirus recession by the summer of 2022.
- The economy has reinstated more than 1,000 jobs since the recession bottom in April 2020.
- Over the 2022-2027 forecast period, total employment in Del Norte County is expected to increase by approximately 350 jobs.
- Government, leisure services, and healthcare will be responsible for virtually all job creation during the forecast period.
- The unemployment rate averaged 7.6 percent in 2021. It is forecast to average 4.5 percent in 2022 and 5.4 percent in 2023.
- The Del Norte County population is expected to decline during the forecast period due to a low birth rate and consistent out-migration.
- The median home price increased by 14 percent in 2021 and has risen approximately 4 percent in 2022. Home prices are expected to rise much more slowly in 2023 and 2024.

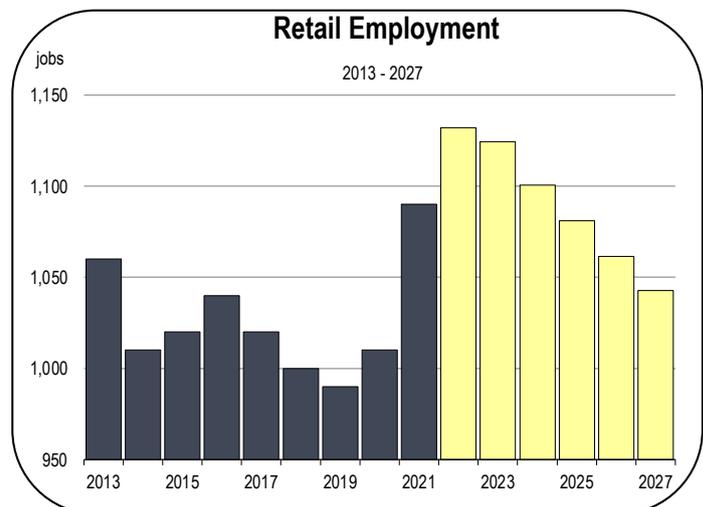
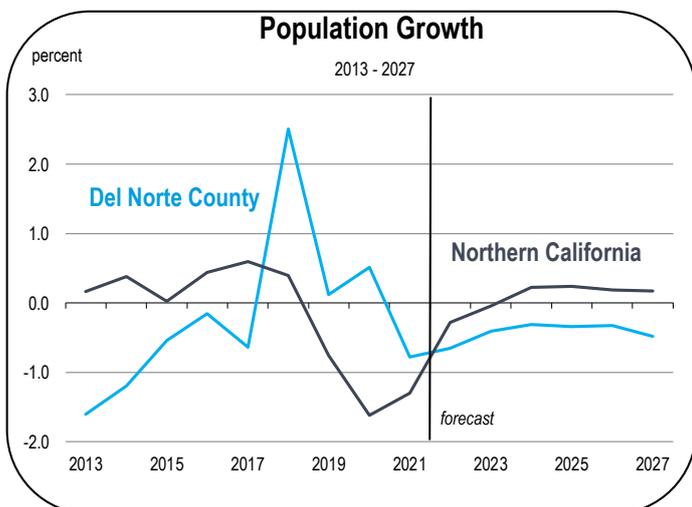
Job Growth

- Total employment in the County will increase by 3.4 percent in 2022 after increasing by 1.9 percent in 2021.
- Job creation will slow significantly after 2022, principally because population will continue to contract. The creation of jobs will be negligible between 2024 and 2027.

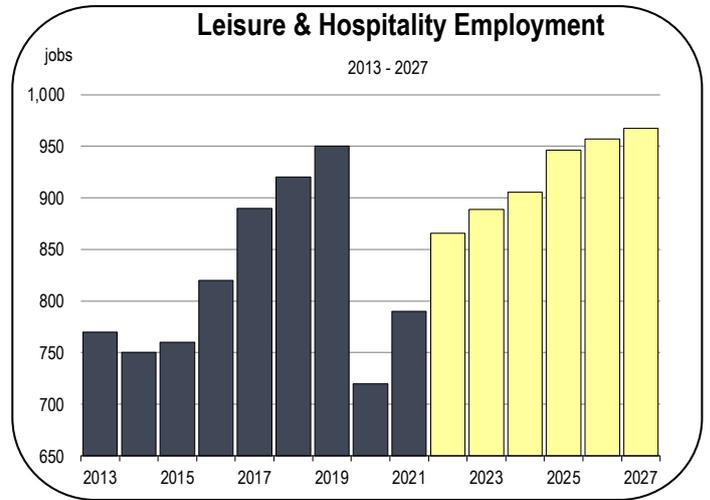
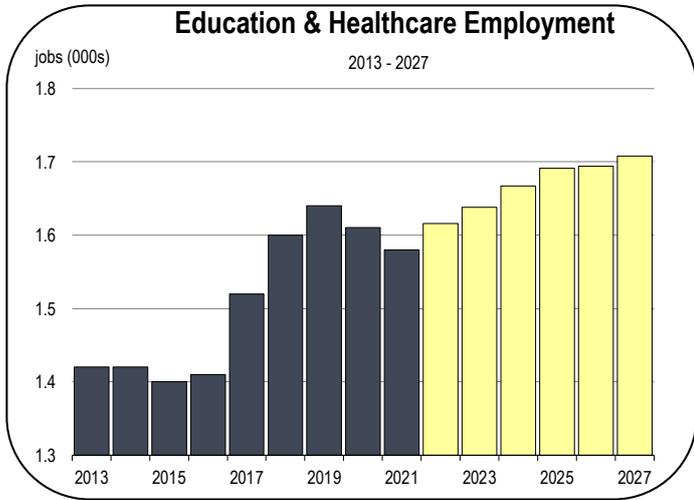


Retail Trade Employment

- Employment in the retail sector is expected to decline over the forecast period.
- The retail industry has been under pressure for years as competition from online stores has led to lower levels of employment at local brick-and-mortar shops.
- The transition to online shopping will lead to further consolidation of local retail jobs over the long-term.



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Private Education and Healthcare Employment

- Healthcare employment contracted in 2021, but additional job growth is expected over the 2022-2027 forecast period.
- The largest employer is Sutter Coast Hospital, which has between 250 and 500 employees in Crescent City.
- In 2022 and 2023, employee recruitment will remain a continuing risk to job growth. Hospitals and other healthcare facilities have struggled to fill open positions following the COVID-19 pandemic. Job creation will partially depend on the willingness and availability of local residents to enter the healthcare workforce.
- There are very few jobs in private educational institutions in Del Norte County (public schools are included in the government sector).

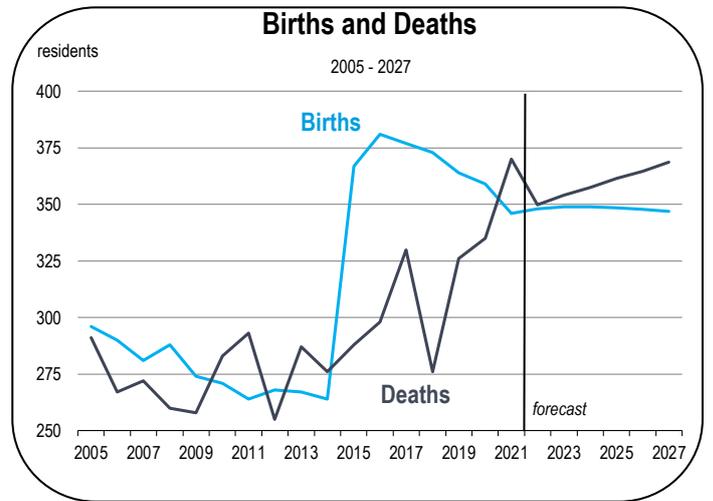
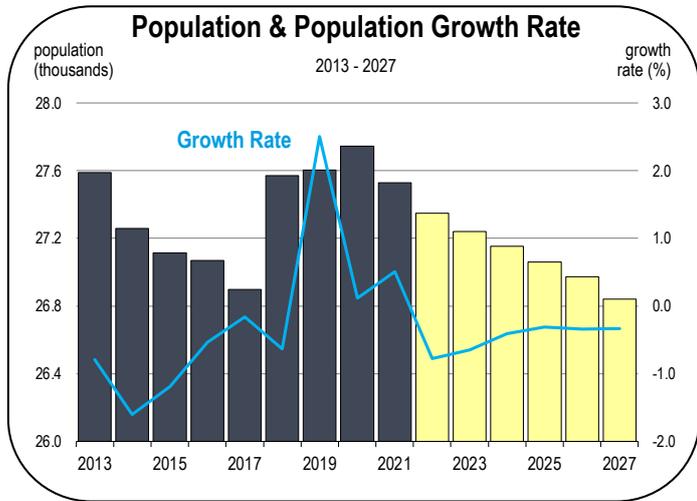
Leisure and Hospitality Employment

- In 2020 the leisure and hospitality sector lost almost a third of its workforce. Approximately 70 percent of the displaced employment will have been restored by the end of 2022.
- Leisure and hospitality employment is forecast to expand over the forecast, eclipsing the previous peak in employment by 2025 or 2026.
- The largest visitor attractions are the casinos in Crescent City and Smith River. They each employ between 100 and 250 employees.
- The Sky River Casino opened in August 2022 in Elk Grove. The 110,200 square foot complex has 2,000 slot machines and 80 gaming tables, along with 17 restaurants and bars.



The Sky River Casino sits on a 36-acre lot along Highway 99 in south Elk Grove. It will operate 24 hours a day.

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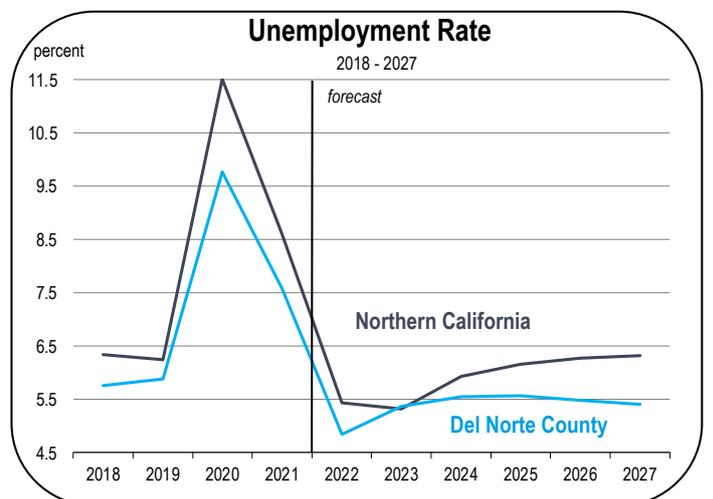
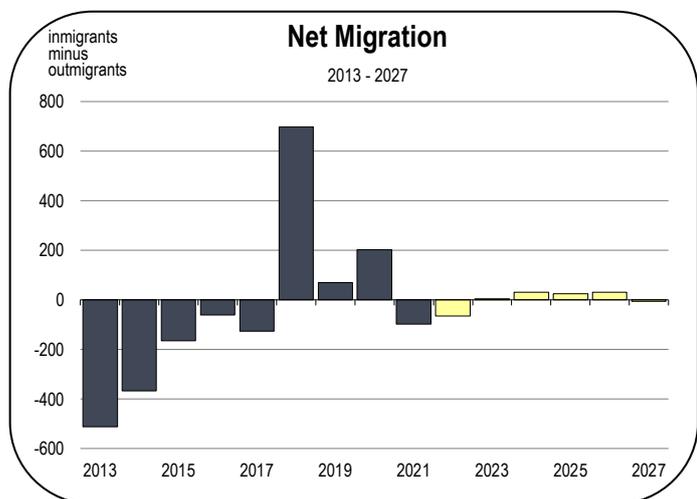


Population Growth

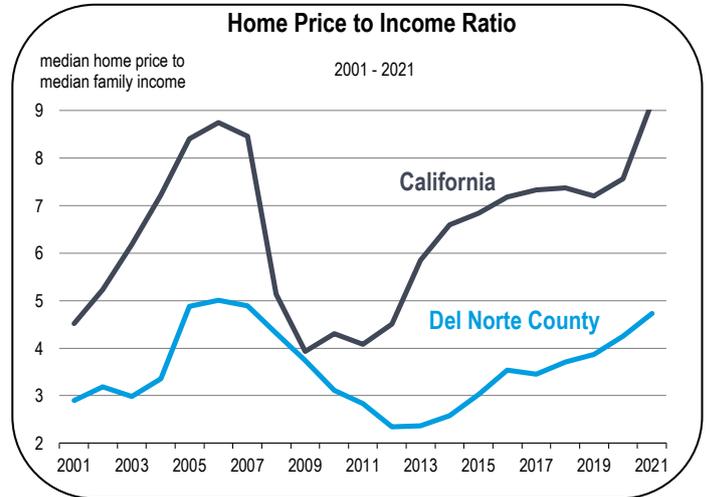
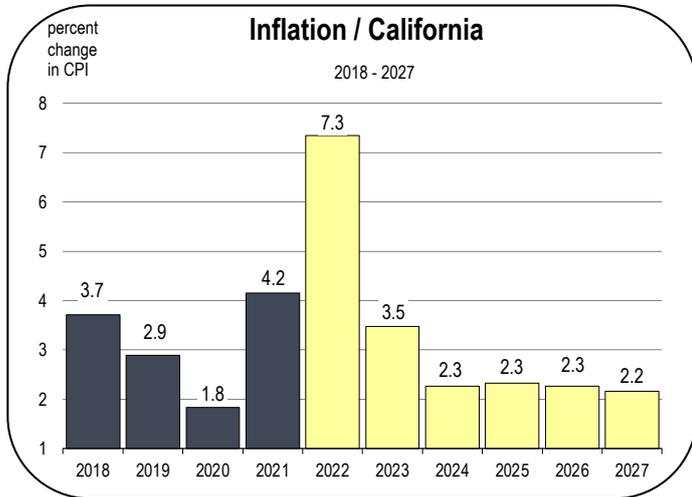
- The Del Norte County population peaked in 2020 amid a surge in estimated net migration from fire displaced residents from adjacent counties.
- With rebuilding, there is likely to be population shifts out of Del Norte over the next few years.
- Del Norte County has an older population base with a low birth rate, and the number of deaths in the county has begun to surpass the number of births. This situation is expected to persist over the entire forecast period.
- Between 2022 and 2027, the population is expected to decline at an annual average rate of 0.4 percent.

Unemployment and Inflation Rates

- The unemployment rate in Del Norte County averaged 7.6 percent in 2021.
- The unemployment rate is expected to average 4.8 percent in 2022 and 5.4 percent in 2023.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
 - Record spending by consumers and the federal government during 2021 and 2022



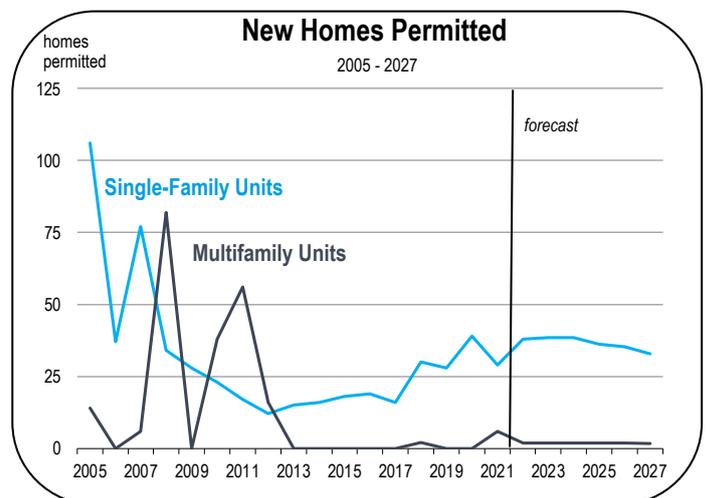
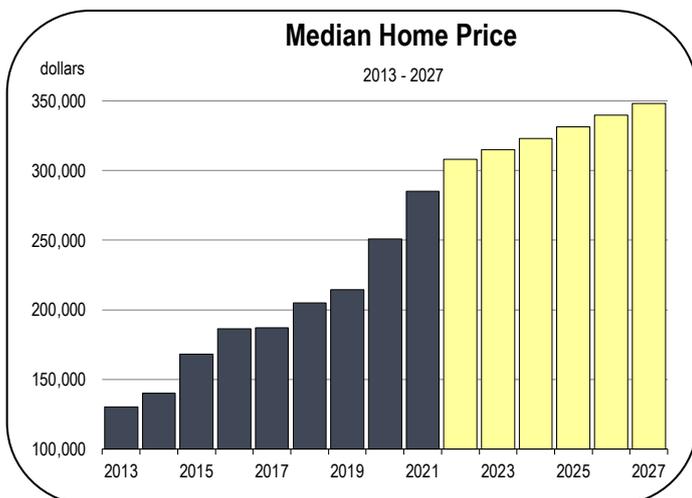
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- Fractures in the global supply chain that raise the cost of production for many businesses
- Sharp increases in the cost of housing and energy
- Labor market recruitment challenges that force companies to raise wages
- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

Home Prices and New Housing Production

- In 2021 the median home value in Del Norte County was \$285,000. For single family detached homes, the median selling price was \$366,000. In 2022, the median selling value through October was up slightly to \$380,230.
- The median home value is expected to rise 4 percent in 2022 and reach \$350,000 by 2027.
- Despite these price increases, homes in Del Norte County are much more affordable than homes in many other parts of California.
- In Del Norte County, the typical household spends less than 20 percent of its income on housing costs. In Coastal California, households often spend 35-50 percent on mortgage payments or rent.



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- From 2016 to 2021, an average of 36 new homes were started per year in Del Norte County. Almost all were single-family homes.
- Housing production is expected to average 35 to 45 units per year from 2022 to 2027, consisting primarily of single-family homes.
- Del Norte County is known for its stunning redwood trees, state parks, coast, and casinos.
- At the foreground of Del Norte's state parks are Jedediah Smith Redwoods State Park and Del Norte Coast Redwoods State Park.
- Jedediah Smith Redwoods State Park is 10,000 acres in size and contains the longest major free-flowing river in California: The Smith River. Visitors to the park are encouraged to fish, snorkel, and kayak in the Smith River. Cabins and camping are also available at the park.
- Del Norte Cost Redwoods State Park shares 8 miles with the coast and contains the Mill Creek Campground, a popular spot for visitors. Windsurfing and geocaching are also activities visitors can participate in at the park.
- Day use for the parks is \$8 and around \$35 for camping.
- Del Norte County has 2 casinos within its borders. The two casinos are the Lucky 7 and Elk Valley Casino. The Lucky 7 is also a hotel.
- Elk Valley Casino is a brand new casino that opened in April 2022. The casino is 36,000 square feet and replaced an older casino that was located two miles away. Elk Valley Casino contains 300 slot machines, table games, and a separate room for poker tournaments.

Land Required to Meet Housing needs

- According to projections from the county's 6th Cycle Housing Element, Del Norte County will need enough land available to accommodate a total of 575 units in order to meet the community's housing demands over the next eight years. Specifically, the county will need to create around 386 units of housing outside Crescent City limits, of which more than 40% of those units will need to accommodate low-income individuals and families. This is an increase of about 153 units from earlier projections.

Hunter and Panther Creek Bridge Replacement Project

- This project replaces the Hunter and Panther Creek Bridges along U.S. 101 north of Klamath in Del Norte County. This project is needed because both bridges are narrow, do not meet current seismic standards, and are past their 50-year design life.

Replacement of Hurdygurdy Creek Bridge

- The County is planning to replace the Hurdygurdy Creek Bridge on Big Flat Road within the Six Rivers National Forest. The project consists of replacing the existing two-span bridge over Hurdygurdy Creek on the existing alignment. The proposed bridge type would consist of a single-span, pre-stressed, cast-in-place box girder structure and would be somewhat longer than the existing bridge.

Del Norte High School Expansion

- The project intends to bring three new forms of development: A new classroom building to provide three science labs and three academic classrooms, a new field house for equipment storage, restroom facilities, concessions areas, and a practice field restoration in which existing practice fields will be upgraded.



Elk Valley Casino

Del Norte County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 Forecast

	Population (people)	Households (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (millions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	27,113	9.9	-165	18	27.2	\$938	\$176	\$240	\$22	\$41,240	8.6	\$56	1.4
2016	27,070	9.9	-61	19	28.0	\$975	\$178	\$246	\$23	\$41,964	7.6	\$56	2.3
2017	26,898	10.0	-127	16	27.1	\$985	\$180	\$247	\$24	\$41,444	6.5	\$54	3.0
2018	27,572	10.0	698	32	27.6	\$1,023	\$188	\$241	\$23	\$40,484	5.8	\$54	3.7
2019	27,604	10.0	69	28	28.3	\$1,070	\$193	\$250	\$24	\$41,122	5.9	\$54	2.9
2020	27,745	10.0	202	39	28.5	\$1,125	\$224	\$300	\$24	\$42,220	9.8	\$54	1.8
2021	27,529	10.1	-98	35	29.1	\$1,172	\$261	\$355	\$28	\$42,591	7.6	\$53	4.2
2022	27,350	10.1	-66	40	29.5	\$1,261	\$272	\$372	\$28	\$42,964	4.8	\$53	7.3
2023	27,239	10.1	4	40	29.5	\$1,293	\$272	\$370	\$28	\$42,747	5.4	\$53	3.5
2024	27,155	10.2	31	40	29.5	\$1,321	\$270	\$366	\$29	\$42,817	5.5	\$53	2.3
2025	27,062	10.2	25	38	29.5	\$1,380	\$272	\$369	\$27	\$43,888	5.6	\$53	2.3
2026	26,972	10.2	31	37	29.4	\$1,433	\$274	\$371	\$27	\$44,705	5.5	\$53	2.3
2027	26,841	10.3	-7	35	29.3	\$1,484	\$277	\$374	\$26	\$45,525	5.4	\$53	2.2
2028	26,710	10.3	-4	35	29.2	\$1,535	\$280	\$378	\$25	\$46,307	5.5	\$53	2.2
2029	26,572	10.3	-7	33	29.1	\$1,579	\$287	\$387	\$25	\$46,814	5.5	\$54	2.3
2030	26,427	10.4	-11	33	29.0	\$1,626	\$294	\$397	\$24	\$47,405	5.5	\$54	2.2
2031	26,288	10.4	1	33	28.9	\$1,672	\$300	\$405	\$24	\$48,003	5.5	\$54	2.1
2032	26,159	10.4	14	34	28.9	\$1,719	\$307	\$414	\$24	\$48,484	5.5	\$54	2.3
2033	26,036	10.5	25	34	28.9	\$1,771	\$313	\$423	\$24	\$49,263	5.4	\$54	1.9
2034	25,904	10.5	20	34	28.8	\$1,825	\$320	\$432	\$24	\$49,968	5.5	\$54	2.1
2035	25,777	10.5	28	34	28.8	\$1,881	\$328	\$443	\$24	\$50,634	5.5	\$54	2.2
2036	25,649	10.5	30	34	28.8	\$1,939	\$338	\$456	\$24	\$51,116	5.5	\$54	2.6
2037	25,512	10.6	24	33	28.7	\$1,998	\$347	\$469	\$24	\$51,566	5.5	\$54	2.7
2038	25,380	10.6	31	34	28.7	\$2,060	\$357	\$482	\$24	\$52,153	5.5	\$54	2.5
2039	25,250	10.6	35	34	28.7	\$2,124	\$367	\$496	\$24	\$52,632	5.5	\$54	2.7
2040	25,111	10.7	27	33	28.7	\$2,190	\$376	\$509	\$24	\$53,173	5.4	\$54	2.6
2041	24,978	10.7	36	34	28.7	\$2,254	\$385	\$520	\$24	\$53,834	5.5	\$55	2.2
2042	24,845	10.7	36	34	28.7	\$2,319	\$393	\$532	\$24	\$54,548	5.5	\$54	2.1
2043	24,704	10.8	28	33	28.6	\$2,385	\$402	\$544	\$24	\$55,299	5.5	\$55	2.0
2044	24,568	10.8	35	34	28.6	\$2,450	\$409	\$554	\$24	\$56,124	5.5	\$55	1.8
2045	24,434	10.8	38	34	28.6	\$2,516	\$418	\$566	\$24	\$56,866	5.5	\$55	1.9
2046	24,292	10.8	29	33	28.6	\$2,582	\$427	\$578	\$24	\$57,550	5.5	\$55	2.0
2047	24,157	10.9	37	34	28.6	\$2,647	\$437	\$591	\$24	\$58,041	5.5	\$55	2.2
2048	24,015	10.9	29	33	28.5	\$2,713	\$448	\$606	\$24	\$58,497	5.5	\$55	2.3
2049	23,881	10.9	36	34	28.5	\$2,780	\$458	\$620	\$24	\$59,108	5.5	\$55	2.0
2050	23,749	11.0	39	34	28.5	\$2,850	\$468	\$634	\$24	\$59,672	5.5	\$55	2.1

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	8,140	310	150	80	0	1,020	190	210	80	1,400	760	3,840
2016	8,230	310	160	100	0	1,040	180	220	80	1,410	820	3,820
2017	8,360	330	170	120	0	1,020	180	210	80	1,520	890	3,730
2018	8,480	330	190	140	0	1,000	170	190	70	1,600	920	3,760
2019	8,500	310	200	150	0	990	160	170	70	1,640	950	3,760
2020	8,070	310	210	140	0	1,010	160	160	60	1,610	720	3,580
2021	8,170	260	220	160	0	1,090	150	170	50	1,580	790	3,590
2022	8,400	229	284	205	0	1,132	149	171	49	1,616	866	3,591
2023	8,410	209	274	203	0	1,124	149	171	49	1,638	889	3,594
2024	8,390	197	264	195	0	1,101	147	171	49	1,667	906	3,584
2025	8,390	189	252	181	0	1,081	145	169	49	1,691	946	3,574
2026	8,350	184	241	184	0	1,061	141	170	48	1,694	957	3,563
2027	8,300	181	230	161	0	1,043	138	168	48	1,708	968	3,551
2028	8,230	179	220	150	0	1,013	135	167	48	1,716	959	3,536
2029	8,170	178	214	140	0	985	132	166	48	1,724	950	3,524
2030	8,120	177	209	130	0	968	129	165	48	1,725	941	3,523
2031	8,070	176	209	120	0	955	125	164	48	1,728	942	3,497
2032	8,060	176	209	111	0	943	122	163	48	1,734	943	3,495
2033	8,040	176	210	108	0	936	120	163	48	1,736	944	3,492
2034	8,030	176	209	105	0	929	118	163	48	1,737	945	3,487
2035	8,000	176	209	102	0	923	116	162	48	1,738	936	3,485
2036	7,990	176	209	99	0	917	114	162	48	1,738	937	3,485
2037	7,980	176	209	97	0	910	113	162	48	1,737	928	3,492
2038	7,980	176	209	95	0	903	111	162	48	1,736	929	3,497
2039	7,970	176	209	93	0	897	110	162	48	1,735	925	3,505
2040	7,970	176	209	91	0	890	109	162	48	1,733	923	3,521
2041	7,950	176	209	90	0	883	107	161	48	1,730	922	3,516
2042	7,940	176	209	81	0	876	106	161	48	1,728	923	3,526
2043	7,930	176	209	78	0	870	105	160	48	1,724	924	3,529
2044	7,920	176	209	75	0	863	104	160	48	1,721	925	3,530
2045	7,910	175	209	74	0	857	103	160	48	1,717	926	3,528
2046	7,900	175	209	77	0	850	102	160	48	1,712	927	3,531
2047	7,880	175	209	74	0	843	100	160	48	1,708	928	3,529
2048	7,870	175	209	72	0	837	99	160	48	1,702	929	3,533
2049	7,860	175	209	71	0	830	98	160	48	1,697	930	3,529
2050	7,850	175	209	75	0	824	97	160	48	1,692	931	3,526

Del Norte County Economic Forecast

Socioeconomic Indicators

